

INTELLIGENCE AUTHORIZATION

Mr. THOMPSON. Mr. President, I thank the majority leader and the minority leader for trying to work out these complicated matters. There is, understandably, some interrelationship. I think it is well known that we are looking for a way to get a vote on the important issue of proliferation. It should not be considered to be a trade issue. It is an issue separate and apart. Many of us believe it is extremely timely because of the trade issue, and that while we need to extend our trade relationship with China, at the same time, we need to demonstrate to them and to the world that they must do something to improve their habits in terms of proliferation of weapons of mass destruction. Every day, we see in some media outlet a further indication that the Chinese are intent upon continuing their proliferation habits, as long as we support Taiwan and as long as we perceive a national defense system.

I hope the objection is not based upon the desire by the Democratic leader to prevent a vote from happening on the issue of China's proliferation. Just as the majority leader and the Democratic leader have been working together, so have the staffs been working together across the aisle to try to bridge some of the differences on this bill. We have made changes to the bill to accommodate some of the concerns. This bill will not affect agriculture; this bill will not affect business, except in those narrow circumstances when a business may be dealing directly with a known and determined foreign proliferator. At that point, it is not too high a price to ask our American businesses not to deal with those kinds of companies. That is what this is about.

So now that the majority leader has set a date for a vote on PNTR, I certainly hope we will be able to rapidly reach a date prior to that when we can vote on the important issue of proliferation of weapons of mass destruction. Although trade, being as important as it is, it pales in comparison with the national security of this Nation.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

CHINA PROLIFERATION

Mr. HOLLINGS. Mr. President, I speak to the amendment of the Senator from Tennessee. There is no question that China proliferates. The very interesting feature to the entire picture here is that they object, of course, to us defending ourselves. As I see it, in essence, they are saying: Wait a minute. If you get a strategic defense initiative, if you get an antiballistic missile defense, that is going to deter or retard our proliferation, our sales to Pakistan, our sales to Iran.

A nation's defense should never be negotiable. It is totally out of the question. We should not be running around talking to the Europeans or those in the Pacific rim when it comes to what is necessary and fundamentally needed for the defense of the United States.

I support the Senator from Tennessee.

DEUTSCHE TELEKOM

Mr. HOLLINGS. Mr. President, two Saturdays ago, Mr. Peter S. Goodman reported in the Washington Post on the design of Deutsche Telekom, a German government company, which is designed to take over any and all U.S. telecommunications. In the final paragraph of that particular story, the head of Deutsche Telekom said, no, they were not interested in joint ventures. They were interested in total control.

This Senator from South Carolina participated in the 1996 Telecommunications Act, deregulating and decontrolling the American telecommunications industry. We certainly didn't take it out from under American control to put it under German government control.

I placed a call to the head of the Federal Communications Commission. We had a conversation.

I ask unanimous consent that my letter of June 28 denoting that conversation be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,

Washington, DC, June 28, 2000.

Hon. WILLIAM KENNARD,
Chairman, Federal Communications Commission, Washington, DC.

DEAR MR. CHAIRMAN: When I called, I knew what your answer would be. Section 310 of the Communication Act of 1934 forbids a foreign government or any entity with 25% or more foreign government ownership or control from being granted a license by the FCC. I knew of the public interest waiver, but in the 66 years of the Act the FCC has never waived, in any significant fashion, the law for foreign government ownership. I knew, also, that the Global Telecommunication Agreement permitted the FCC to consider the public interest satisfied if the entity or government was a member of the WTO. However, this was permissive and not mandated. And other countries, members of the WTO—Italy, Spain, and Hong Kong—have prohibited foreign government ownership. I knew, also, that the Congress and the Commission have been all out for competition and that competition has cost domestic companies their profits and values, making our companies vulnerable to foreign takeover. And to my amazement, when I asked the FCC position on foreign government ownership you hedged. First, you said it "was complicated". You did mention the 310 statute, but then talked about the WTO requirement. I countered it was not a required and certainly not in the public interest. You continued telling me you wanted to come up to discuss it with me to learn my position. I kept telling you I was giving you my position by calling. I'm opposed to foreign government ownership.

Yesterday, I introduced a bill tightening legal prohibitions against foreign government ownership. Thereupon, you said well, if US West was taken over by a foreign government the Western states would be in an uproar. I countered I was already in an uproar. Again, you wanted to come up and discuss to learn my position. I stated that no further discussion was necessary and I asked that when responding to any downtown lawyers inquiring to learn the position of the Commission, that you refer them to the law. You then said you weren't getting any calls, that your phone "wasn't ringing off the hook". I said I knew that the downtown lawyers were smart enough not to call directly, but to find out indirectly the position of the Commission. The call was then terminated without you stating your position, leaving me totally frustrated.

A treaty confirmed by a 2/3 vote in the Senate amends the law—not an agreement. And the global telecommunications agreement was never submitted to Congress. I can't emphasize enough that the WTO provision isn't absolute, only permissive. I can't imagine you taking the extreme position of foreign government ownership and concluding this was in the public interest—particularly after all the effort we have made with the 1996 Telecommunications Act to deregulate and afford competition. Now, to allow a foreign government, protected from competition, to pick up a domestic telecommunications company, bloodied by the competition, and control telecommunications in the United States is unthinkable.

With kindest regards, I am

Sincerely,

ERNEST F. HOLLINGS.

Mr. HOLLINGS. Mr. President, since the distinguished Chairman of the Federal Communications Commission was rather elusive in that conversation, I then prevailed on 29 other colleagues in the Senate in a letter of June 29—the next day—and again on July 12, since I had not received a response.

I ask unanimous consent to have printed in the RECORD those particular letters dated June 29 and July 12 to the Chairman of the Federal Communications Commission.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,

Washington, DC, June 29, 2000.

Hon. WILLIAM KENNARD,
Chairman, Federal Communications Commission, Washington, DC.

DEAR MR. CHAIRMAN: Recently, a foreign government owned telecommunications monopoly announced that it planned to purchase a controlling interest in a major U.S. telecommunications firm. This is contrary to U.S. law and is inconsistent with our policy to promote competition and maintain a secure communications system for our national security.

We would not be alone among WTO member countries in adopting this point of view. Italy, Spain and Hong Kong have prohibited similar transactions when the acquiring company was owned by a foreign government. U.S. regulators should be similarly skeptical of such acquisitions in this country.

Congress and the FCC have made tremendous progress with the passage of the 1996 Telecommunications Act in deregulating and forcing competition in our domestic communications market. This has promoted investment and the fruits of this competition have